

OPEN MEETING ITEM

12/4/08

COMMISSIONERS
MIKE GLEASON - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

BRIAN C. McNEIL
EXECUTIVE DIRECTOR



0000090711

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ARIZONA CORPORATION COMMISSION

ORIGINAL

MEMORANDUM

TO: Mike Gleason, Chairman
 William A. Mundell
 Jeff Hatch-Miller
 Kristin K. Mayes
 Gary Pierce

FROM: Matthew J. Neubert *mjn*
 Director of Securities

DATE: November 6, 2008

RE: Default Order Against Stanley Lane Boblett (a/k/a Lane Boblett),
 Docket No. S-20609A-08-0398

CC: Brian C. McNeil, Executive Director

Arizona Corporation Commission
DOCKETED

11/27/2008

DOCKETED BY

mn

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 AZ CORP COMMISSION
 DOCKET CONTROL

Please find attached a proposed default Order to Cease and Desist, For Restitution and For Administrative Penalty against Respondent Stanley Lane Boblett (a/k/a Lane Boblett). Respondent Boblett has not appeared in or defended this matter.

The Order finds that from March 2006 to December 2007, Respondent Boblett, individually and through his entities, Pacific Coast Holding Company and Hall of Fame Partners, LLC, sold \$500,000.00 in securities to investors residing in Arizona and three other states. Respondent Boblett sold securities in the form of investment contracts, stock, and promissory notes by promising outsized returns to investors. In one instance, Respondent Boblett offered an instantaneous 100% return upon investing with him. Respondent Boblett deposited the funds into accounts held by Pacific Coast Holding Company, but did not invest the funds as promised.

The Order also finds that Respondent Boblett violated A.R.S. §§ 44-1841 and 44-1842 for selling unregistered securities while not being registered as a dealer or salesman, or exempt from registration, and the anti-fraud provision of the Securities Act, A.R.S. § 44-1991. The Order requires Respondent Boblett to pay \$500,000.00 in restitution and a \$150,000.00 administrative penalty, jointly and severally with Pacific Coast Holding Company and Hall of Fame Partners, LLC. The Commission entered a Default Order against Pacific Coast Holding Company and Hall of Fame Partners, LLC on October 8, 2008 in Decision No. 70548.

The Division recommends this Order is appropriate, in the public interest, and necessary for the protection of investors.

Originator: Aikaterine Vervilos

1
2 **BEFORE THE ARIZONA CORPORATION COMMISSION**

3
4 COMMISSIONERS

5 MIKE GLEASON, Chairman
6 WILLIAM A. MUNDELL
7 JEFF HATCH-MILLER
8 KRISTIN K. MAYES
9 GARY PIERCE

10 In the matter of:) DOCKET NO. S-20609A-08-0398

11 STANLEY LANE BOBLETT (CRD)
12 #2209980)(a/k/a Lane Boblett) and ANTONIA)
13 BOBLETT (a/k/a Toni Boblett and/or Antonia)
14 Loera-Marks), husband and wife,)
15)

16 PACIFIC COAST HOLDING COMPANY, a)
17 Delaware Corporation; and)
18)
19 HALL OF FAME PARTNERS, LLC, a)
20 Delaware Limited Liability Company,)
21)

22 Respondents.)
23)
24)
25)
26)

**ORDER TO CEASE AND DESIST, FOR
RESTITUTION AND FOR
ADMINISTRATIVE PENALTY RE:
STANLEY LANE BOBLETT (CRD
#2209980) (a/k/a Lane Boblett)**

27 On August 1, 2008, the Securities Division ("Division") of the Arizona Corporation
28 Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order
29 to Cease and Desist, Order for Restitution, for Administrative Penalties and for other Affirmative
30 Action ("Notice") in the matter against Respondents Stanley Lane Boblett (a/k/a Lane Boblett),
31 Antonia Boblett (a/k/a Toni Boblett and/or Antonia Loera-Marks), Pacific Coast Holding Company,
32 and Hall of Fame Partners, LLC.

33 Antonia Boblett (a/k/a Toni Boblett and/or Antonia Loera-Marks) was served on August 5,
34 2008. On August 12, 2008, the Division filed a Notice of Dismissal of Antonia Boblett (a/k/a Toni
35 Boblett and/or Antonia Loera-Marks) Without Prejudice.

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1 Pacific Coast Holding Company and Hall of Fame Partners, LLC were personally served on
2 August 13, 2008. The Notice specified that Pacific Coast Holding Company and Hall of Fame
3 Partners had ten days to request a hearing and 30 days to file an answer. Neither requested a
4 hearing nor filed an answer within the required time.

5 On October 8, 2008, the Commission entered a Default Order against Pacific Coast Holding
6 Company and Hall of Fame Partners, LLC in Decision No. 70548.

7 On October 14, 2008, the Division served Stanley Lane Boblett (a/k/a Lane Boblett) with
8 the Notice by publication. The Notice specified that Stanley Lane Boblett (a/k/a Lane Boblett) had
9 ten days to request a hearing and 30 days to file an answer. He neither requested a hearing nor
10 filed an answer within the required time.

11 **I.**

12 **FINDINGS OF FACT**

13 1. Stanley Lane Boblett (a/k/a Lane Boblett)("BOBLETT") is an individual who at all
14 times relevant offered and sold securities within or from Arizona.

15 2. Pacific Coast Holding Company ("PCH") is a company incorporated in Delaware.

16 3. BOBLETT is a director of PCH.

17 4. Hall of Fame Partners, LLC ("FAME") is a Delaware Limited Liability Company.

18 5. BOBLETT is a "Director" (sic) of FAME.

19 6. BOBLETT (CRD#2209980) has not been a registered salesmen since November 2000
20 and has not been a registered dealer. At all times relevant, BOBLETT was not registered with the
21 Commission as a dealer or salesmen.

22 7. Beginning on or about March 2006 to at least December 2007, BOBLETT offered
23 and/or sold unregistered securities in the form of investment contracts, shares of stock and
24 promissory notes to at least six investors, including at least one Arizona investor. BOBLETT
25 raised at least \$500,000 from investors.
26

1 8. The underlying nature of the investment contracts varied and included investments
2 in companies that produced a product known as a "Kickstand," beverages, and digitized film
3 (collectively referred to as the "Investments").

4 **A. KICKSTAND**

5 9. BOBLETT offered at least one investor an investment contract that BOBLETT
6 called shares of stock in a company that made a "Kickstand." BOBLETT represented to at least
7 one investor that the "Kickstand" was a device designed to hold a guitar.

8 10. BOBLETT promised at least one investor a rate of return of 150% on this
9 investment.

10 11. BOBLETT instructed at least one investor to make the funds payable to "Pacific
11 Coast Holdings/Venture Fund." PCH received the investor funds in a bank account opened and
12 controlled by BOBLETT.

13 12. The investors provided the investment funds but otherwise had no involvement in
14 the investment.

15 13. BOBLETT failed to provide the investor with any disclosures prior to investing.

16 **B. BEVERAGE COMPANY**

17 14. BOBLETT offered shares of stock in a beverage company by offering different
18 investors different types of securities with different terms.

19 15. BOBLETT offered at least one investor the opportunity to purchase shares of stock
20 in the beverage company. BOBLETT provided to at least one investor a business plan for the
21 beverage company. BOBLETT represented to at least one investor that he was an investment
22 banker raising funds for the beverage company.

23 16. BOBLETT offered shares of stock in a beverage company to at least one investor by
24 promising to return the original investment funds, plus the investor would be able to keep the
25 shares of stock. BOBLETT induced this investment by telling the investor that a shareholder
26

1 needed to liquidate the holdings in the beverage company. The investor received neither the return
2 of the funds nor the shares of stock.

3 17. BOBLETT offered to at least one investor a promised return of 25% within 30 to 60
4 days if the investor would allow BOBLETT to borrow funds in order for BOBLETT to purchase
5 shares of stock in the beverage company at a reduced price. BOBLETT failed to return the funds
6 as promised.

7 18. BOBLETT offered to at least one investor an opportunity to become part of an
8 investment group wherein BOBLETT would pool funds from those in the investment group to
9 purchase shares of stock in a beverage company. BOBLETT failed to purchase the shares of stock
10 in the beverage company.

11 19. BOBLETT offered at least one investor a promissory note in exchange for funds so
12 BOBLETT could invest in the beverage company by purchasing shares of stock. The promissory
13 note was for a term of one month at an interest rate of 8%. BOBLETT failed to return the funds as
14 promised.

15 20. BOBLETT instructed the investors to make the funds payable to "Pacific Coast
16 Holdings/SIP," "SIP/PCH," "Pacific Coast Holding/Sudden Impact Partners," and "Pacific Coast
17 Holding Company." PCH received the investor funds in bank accounts opened and controlled by
18 BOBLETT.

19 **C. FAME**

20 21. BOBLETT, on behalf of FAME, offered at least one investor an investment contract
21 that he called shares of stock in FAME even though FAME is a limited liability corporation.

22 22. BOBLETT offered at least one investor the opportunity to invest in FAME by
23 representing that FAME was affiliated with the beverage company and that FAME investors would
24 have more voting power in the beverage company if they invested with FAME. Additionally,
25 BOBLETT represented to at least one investor that the purchase price of FAME had doubled;
26

1 however, BOBLETT offered investors an opportunity to purchase the shares of stock at the pre-
2 doubling price thereby offering an instant 100% return on investment.

3 23. BOBLETT failed to disclose that FAME is a limited liability company controlled by
4 BOBLETT and that FAME could not issue shares of stock.

5 24. BOBLETT misrepresented that FAME was associated with the beverage company
6 when there was no affiliation.

7 25. BOBLETT instructed the investors to make the funds payable to "Pacific Coast
8 Holding Company." PCH received the investor funds in bank accounts opened and controlled by
9 BOBLETT.

10 26. The investors provided the investment funds but otherwise had no involvement in
11 the investment.

12 **D. DIGITAL IMAGING INVESTMENT**

13 27. BOBLETT offered at least one investor an investment contract that BOBLETT
14 called shares of stock in a limited liability company that digitized film.

15 28. To induce the investment, BOBLETT represented this company developed a
16 revolutionary machine that would increase the speed at which film is digitized. The use of this
17 revolutionary machine would translate into increased profits for the company and an increased
18 value for each share of stock. Additionally, BOBLETT showed at least one investor a video of the
19 revolutionary machine.

20 29. BOBLETT instructed the investors to make the funds payable to "Pacific Coast
21 Holdings." PCH received the investor funds in bank accounts opened and controlled by
22 BOBLETT.

23 30. The investors provided the investment funds but otherwise had no involvement in
24 the investment.

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1 **E. GENERAL ALLEGATIONS**

2 31. A majority of the investors received unsigned subscription agreements (hereinafter
3 "investor documents") in exchange for their investment funds indicating that they were purchasing
4 shares of stock.

5 32. BOBLETT failed to invest the investor funds as promised to the investors. The
6 investors neither received stock certificates nor are listed as shareholders in the companies.

7 33. BOBLETT expended investor funds for BOBLETT's personal expenses without
8 authorization from investors. BOBLETT failed to disclose to potential investors that investor
9 funds will be expended for personal use.

10 34. The investors asked BOBLETT for the return of their investment funds. In
11 response, BOBLETT signed an agreement with at least one investor agreeing to pay the promised
12 investment returns, orally agreed to return the investment monies, or offered to sign a mutual
13 release. BOBLETT failed to pay the investor as promised and did not return any of the investor
14 monies.

15 35. BOBLETT failed to disclose to the investors risks associated with the investments.

16 36. The majority of investors who invested with BOBLETT lost their entire investment.

17 **II.**

18 **CONCLUSIONS OF LAW**

19 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
20 Arizona Constitution and the Securities Act.

21 2. BOBLETT offered or sold securities within or from Arizona, within the meaning of
22 A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

23 3. BOBLETT violated A.R.S. § 44-1841 by offering or selling securities that were
24 neither registered nor exempt from registration.

25 4. BOBLETT violated A.R.S. § 44-1842 by offering or selling securities while neither
26 registered as a dealer or salesman nor exempt from registration.

5. BOBLETT violated A.R.S. § 44-1991 by (a) employing a device, scheme, or artifice to defraud, (b) making untrue statements or misleading omissions of material facts, and (c) engaging in transactions, practices, or courses of business that operate or would operate as a fraud or deceit. The conduct included:

a) BOBLETT failed to inform investors that not all of their investment funds were invested into the alleged Investments;

b) BOBLETT failed to inform investors that investor funds would be used for personal use or benefit;

c) BOBLETT failed to disclose to investors any risks associated with the alleged Investments, including but not limited to the loss of the entire investment;

d) BOBLETT failed to disclose the relationship between FAME and BOBLETT;

e) BOBLETT misrepresented that FAME was associated with the beverage company;

f) BOBLETT misrepresented to investors that FAME could issue stock; and

g) BOBLETT misrepresented to investors that they would make substantial profits by investing in the alleged Investments.

37. BOBLETT's conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

38. BOBLETT's conduct is grounds for an order of restitution pursuant to A.R.S. § 44-2032.

39. BOBLETT's conduct is grounds for administrative penalties under A.R.S. § 44-2036.

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III.**ORDER**

THEREFORE, on the basis of the Findings of Fact and Conclusions of Law, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that BOBLETT, and any of BOBLETT's agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that BOBLETT shall, jointly and severally with Respondents Pacific Coast Holding Company and Hall of Fame Partners, LLC, against whom Decision No. 70548 in Docket No. S-20609A-08-0398 was entered on October 8, 2008, pay restitution to investors shown on the records of the Commission in the amount of \$500,000. Payment shall be made in full on the date of this Order. Any amount outstanding shall accrue interest at the rate of 10% per annum from the date of this Order until paid in full. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account controlled by the Commission. The Commission shall disburse the funds on a pro-rata basis to investors shown on the records of the Commission. Any restitution funds that the Commission cannot disburse because an investor refuses to accept such payment shall be disbursed on a pro-rata basis to the remaining investors shown on the records of the Commission. Any funds that the Commission determines it is unable to or cannot feasibly disburse shall be transferred to the general fund of the state of Arizona.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036 that BOBLETT shall, jointly and severally with Respondents Pacific Coast Holding Company and Hall of Fame Partners, LLC, against whom Decision No. 70548 in Docket No. S-20609A-08-0398 was entered on October 8, 2008, pay an administrative penalty in the amount of \$150,000. Payment shall be made to the "State of Arizona." Any amount outstanding shall accrue interest at the rate of 10% per annum

1 from the date of this Order until paid in full. The payment obligations for these administrative
2 penalties shall be subordinate to any restitution obligations ordered herein and shall become
3 immediately due and payable only after restitution payments have been paid in full or upon
4 BOBLETT's default with respect to BOBLETT's restitution obligations.

5 For purposes of this Order, a bankruptcy filing by BOBLETT shall be an act of default. If
6 BOBLETT does not comply with this Order, any outstanding balance may be deemed in default
7 and shall be immediately due and payable.

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1 IT IS FURTHER ORDERED, that if BOBLETT fail s to comply with this order, the
2 Commission may bring further legal proceedings against BOBLETT, including application to the
3 superior court for an order of contempt.

4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION
6
7

8 CHAIRMAN

COMMISSIONER

10 COMMISSIONER

COMMISSIONER

COMMISSIONER

12 IN WITNESS WHEREOF, I, BRIAN C. McNEIL,
13 Executive Director of the Arizona Corporation
14 Commission, have hereunto set my hand and caused the
15 official seal of the Commission to be affixed at the
16 Capitol, in the City of Phoenix, this _____ day of
17 _____, 2008.

18 _____
19 BRIAN C. McNEIL
20 EXECUTIVE DIRECTOR

21 _____
22 DISSENT

23 _____
24 DISSENT

25 This document is available in alternative formats by contacting Linda Hogan, ADA Coordinator,
26 voice phone number 602-542-3931, e-mail lhogan@azcc.gov.
(AV)